



## **OFFICE OF THE DIRECTOR**

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**FOR IMMEDIATE RELEASE**

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### **City of Houston Inks Water Deal with Five Harris County MUDs** ***\$5 million 40-year contract shares costs, maintenance***

**Houston, Texas** – The City of Houston Public Works and Engineering Department announced today the closing of a \$5 million 40-year contract to supply water to a consortium of five northwest Harris County Municipal Utility Districts (MUDs). The contract, approved on January 16th by the Houston City Council, specifies that the City and the MUDs will share the cost of the water supply line linking the utility districts to the City of Houston water system. After it is constructed, the water supply line will become the sole property of the City of Houston.

The consortium, made up of Harris County MUD #23, Harris County MUD #6, Harris County MUD #261, Windfern Utility District and Rolling Fork Public Utility District, represents approximately 20,000 residents.

Harris County MUD #23 will represent the consortium for purposes of bidding, awarding and managing the construction contracts. The remaining four districts in the consortium have binding agreements requiring that they back HCMUD #23 financially. They will also provide advisory support. The construction contracts will be put to competitive bid this spring with completion estimated to be in the summer of 2003.

After establishing a formal relationship between the individual water districts, the consortium chose to opt out of participating in the North Harris County Regional Water Authority (NHCRWA) and instead negotiate with the City of Houston for their water supply needs. The consortium believed that negotiating directly with the City was the most cost-effective choice for their residents. Additionally, by contracting with the City of Houston the consortium is included in the City's Harris-Galveston Coastal Subsidence District-mandated Ground Water Reduction Plan.

Ray Merola, President of Harris County MUD #261 and coordinator of the consortium, stated, "Many people told us we would never be able to successfully accomplish this business. The critics told us that even if we got ourselves to agree with each other, we would never be able to work a mutually beneficial agreement through the massive bureaucracy of the City of Houston. However, we found the City of Houston staff reasonable and personable and we were able to negotiate the technical and financial issues to everyone's satisfaction in a reasonable amount of time."

According to Chuck Settle, Senior Assistant Director of the Public Utility Division of the City of Houston Public Works and Engineering Department, there were three advantages to contracting with the consortium. Settle stated, "First, we were able to specify an oversized line. That will help us service future growth in the area and extend the useful life of the supply line. Second, by completing the loop to the MUDs and back to the City, we are able to provide areas within the City with a dual feed so that if we must take a line down we can maintain the water supply. And last, the loop will help improve the water pressure in some of our neighborhoods."

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